RENAISSANCE ZONE AUTHORITY
SPECIAL MEETING MINUTES
January 4, 2010

The Bismarck Renaissance Zone Authority met on January 4, 2010 in the 2nd Floor Conference Room in the City-County Office Building at 221 North 5th Street. Authority members present were Dave Blackstead, Parrell Grossman, Chuck Huber, George Keiser, Kevin Magstadt, Carol Vondrachek and Curt Walth. Staff members present were Jason Tomanek, Kimberley Gaffrey, Kim Lee, Carl Hokenstad, Charlie Whitman and Brenda Johnson.

CALL TO ORDER

Chair Blackstead called the meeting to order at 3:00 p.m.

CORE INCENTIVE AND RENAISSANCE ZONE PROGRMS - DISCUSSION

The proposed revisions were distributed to the Renaissance Zone Authority members for review. The proposed revisions were as follows:

1. An applicant will need to decide which program (CORE or Renaissance Zone) they will apply for.

2. If an applicant applies for and receives designation as a Renaissance Zone project, it is ineligible for CORE programs during the life of the Renaissance Zone project.

3. If an applicant receives a CORE grant, it may not apply for a Renaissance Zone project for 2 years after receipt of the CORE grant except for Architect Assistance or Signage grants.

4. If an applicant applies for and receives designation as a Renaissance Zone purchase, purchase and rehab or rehab project, the applicant may not also apply for a state income tax exemption under a lease to itself. An applicant (lessee) may not be granted a lease benefit if it owns or has any ownership interest in the building. Ownership interest would include a partnership interest, corporate interest or any family interest in the ownership of the building. Family interest would include parents, grand parents, siblings, spouse, children, in-laws or any significant relationship intended to defeat the prohibition against the owner leasing to itself. Renaissance Zone Lease projects should be limited to leases to third parties.

Chair Blackstead said he understands that Item 1, 2 and 3 would go to the Board of City Commissioners for final approval, however, Item 4 will be handled differently. Chair Blackstead then asked how Item 4 would be addressed. Mr. Tomanek said because there would be changes to the Renaissance Zone Development Plan it must be given final approval from the Bismarck School District, Burleigh County and the State, as well as the Board of City Commissioners. Mr. Tomanek continued by saying a public hearing would have to be held with the Renaissance Zone Authority as well.

Mr. Walth inquired why the other boards have a say in the changes to the policy. Mr. Whitman explained that they were involved in the adoption of the Bismarck's Renaissance Zone Development Plan. Mr. Keiser further explained that originally those boards were not involved and disputed it at the legislature because political subdivisions were making decisions that had a negative impact on their revenues and they wanted to be a part of that decision process.

Mr. Keiser asked what the definition is of "the life of the Renaissance Zone Project". Mr. Tomanek responded by saying five years and it cannot be extended, however the new tenant can assume the remaining balance. After the five-year period has expired the new tenant can submit an application for a lease project that would have to meet the guidelines by making a required investment.

It was the general consensus of the Renaissance Zone Authority the following items will be he proposed revisions for the policies according to the discussions.

1. An applicant will need to decide which program (CORE or Renaissance Zone) they will apply for.

2. If an applicant applies for and receives designation as a Renaissance Zone project, it is ineligible for CORE programs for at least two (2) years after the Renaissance Zone project has been closed out, excluding CORE Signage Grant and the Technical Assistance Bank.

3. If an applicant receives a CORE grant, it may not apply for a full rehabilitation Renaissance Zone project for two (2) years after receipt of the CORE grant except for Technical Assistance Bank and CORE Signage grants.

4. If an applicant applies for and receives designation as a Renaissance Zone purchase, purchase and rehab or rehab project, the applicant may not also apply for a state income tax exemption under a lease to itself. An applicant (lessee) may not be granted a lease benefit if it owns or has any ownership interest in the building. Ownership interest would include a partnership interest, corporate interest or any family interest in the ownership of the building. Family interest would include parents, grand parents, siblings, spouse, children, in-laws or any significant relationship intended to defeat the prohibition against the owner leasing to itself. Renaissance Zone Lease projects should be limited to leases to third parties.

MOTION: A motion was made by Mr. Grossman and seconded by Ms. Vondrachek to approve the proposed revisions with the agreed upon changes, with members Grossman, Keiser, Magstadt, Vondrachek and Walth voting in favor of the motion and members Blackstead and Huber voting against. The motion passed 5 to 2.

OTHER BUSINESS

There was no other business.

ADJOURNMENT

There being no further business, Chair Blackstead adjourned the meeting of the Bismarck Renaissance Zone Authority at 4:01 p.m.

Respectfully Submitted,

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Kimberley Gaffrey
Recording Secretary

APPROVED:

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David Blackstead
Chair